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**SCHAKOWSKY: "IT IS OUR PATRIOTIC DUTY
TO ENSURE THAT EVERY TAX DOLLAR IS ACCOUNTED FOR AND THAT FEDERAL
AGENCIES CLEAN UP THEIR BOOKS"**

WASHINGTON, D.C. - During House debate on the Accountability of Tax Dollars Act of 2002, H.R. 4685, U.S. Representative Jan Schakowsky (D-IL) said, "It is our patriotic duty to ensure that every tax dollar is accounted for and that agencies, like the Department of Defense, which cannot account for over \$1 trillion, clean up their books and their acts."

H.R. 4685 would improve the financial accountability of the executive branch by requiring audits of financial statement. "Unfortunately," Schakowsky added, "this bill provides no funds to pay for those audits," Furthermore, Schakowsky expressed her disappointment the House, at the behest of the White House, passed a weaker bill than the one approved by the Government Efficiency, Financial Management and Intergovernmental Relations Subcommittee.

"If there is any time in our history that we should be demanding greater accountability from government agencies, it is today," Schakowsky said.

Below is the text of Schakowsky's statement:

I rise in support of H.R. 4685, the Accountability of Tax Dollars Act of 2002. It is yet another bill to improve the financial accountability of the executive branch agencies. The bill before us today extends the requirement for audited financial statements to nearly all executive branch agencies. Unfortunately, this bill provides no funds to pay for those audits. The result is that the money spent to pay for these audits would otherwise be used by the Inspectors General to investigate waste, fraud, and abuse. I believe strongly that Congress should fund what is authorizes.

I have been pleased to work with the gentleman from California on this and his other financial management activities in the Committee on Government Reform. We share a belief that sound financial management gives us greater freedom to fund the many important programs designed to help the public, and that shoddy financial management directly impacts every taxpayer in this country and particularly harms the most vulnerable of our citizens.

Bad financial management is a double crime. First, it is wrong to disregard the value of taxpayer funds by wasting them through mismanagement. Second, it denies taxpayers the services for which they have paid through taxes.

Unfortunately, the bill we have on the floor today is not the bill we passed out of our

Subcommittee. The bill we passed included a section that required the agencies covered under this bill to conform to the accounting standards set out in the Federal Financial Management Improvement Act of 1996. The Administration insisted that those provisions be stripped from the bill or it would block the bill from coming before the House today.

I find this turn of events disappointing. I am disappointed because we are passing a weaker bill than should be passed and because we are acquiescing to an unreasonable demand by the Bush administration.

Our actions send a signal to the public that Congress is not serious about accounting standards. If there is any time in our history that we should be demanding greater accountability from government agencies, it is today.

Requiring agencies to follow the standards of the Federal Financial Management Improvement Act is not new. In fact, every year, as part of its financial review of the executive branch, GAO reports to Congress on whether each agency is conforming with the provisions of this act. The act requires agencies to put in place policies and systems that lead to sound financial management on a day to day basis. Frankly, I am puzzled that the Bush administration opposes this kind of sound financial management.

It has been reported that several members of the administration have profited from the shady accounting practices at Enron, Quest, and WorldCom. Some have speculated that, having benefited so wildly from lax accounting standards, the administration wants to bring Enronesque accounting to the federal government. I don't believe that is the case.

I do believe that something far more cynical is at work. This administration talks a lot about its management initiatives and improving accountability in the government. However, it is very careful to make sure that it is OMB that sets the rules by which agencies are graded. I am afraid that the administration's opposition to the accounting standards that were in this bill is just one more attempt to make sure that OMB, and not Congress, sets the standards by which agencies are judged. It is very easy to claim success when you define what success is.

The bill before us today is not just about accounting standards. The title is the Accountability for Tax Dollars Act, and I would like to speak to that topic.

The chart in the well shows the federal deficit and surpluses for the years 1980 to 2001, and projections of the deficit through 2010. As you can see, after a few years of surplus at the end of the Clinton Administration we are back to the deficit spending of the Reagan and Bush Sr. administrations.

I believe that it is important for the American public to understand just who is accountable for this situation. The administration would like the public to believe that

the recession and the attacks of last September are responsible for these deficits. That is not true.

The second chart, based on data from the Congressional Budget Office, shows that the single biggest cause of the deficits this year and into the future is the Bush tax cut.

When President Clinton signaled to the world that he was serious about balancing the budget it had an important effect. International investment began to flow into the U.S. economy, and was one of the engines of the expansion of the 1990s. These deficits will have the opposite effect, holding back the economy and taking a toll on everyone.

We have already seen that happening. Last week the Department of Commerce announced that the poverty rate was up and household income was down. The last time we saw poverty go up and income go down was during the recession in 1991.

Mr. Speaker, I support the bill before us today. However, it is unfortunate that we are not also passing my bill - the First Things First Act. My bill truly addresses the problem of accountability for tax dollars by preventing further implementation of the Bush tax cut's provisions that overwhelmingly benefit the rich and are fueling the Bush recession. My bill puts further implementation of the tax cuts for the top brackets on hold until we can pay for the needs created by the terrorist attacks last year; until we can ensure the solvency of the Social Security and Medicare Trust funds; until we can provide a comprehensive prescription drug benefit under Medicare; until we can ensure federal funding for school modernization and hiring 100,000 teachers; and until we reduce the number of people who face homelessness and substandard housing.

Mr. Speaker, I ask that my colleagues pass the bill before us today, and I ask my colleagues to be truly accountable to the American public for their tax dollars. It is our patriotic duty to ensure that every tax dollar is accounted for and that agencies, like the DoD, which cannot for over \$1 trillion, clean up their books and their acts.